

CITY OF PLEASANT HILL
INSTRUCTIONS FOR COMPLETING GENERAL BUSINESS LICENSE
APPLICATION AND CALCULATION OF TAX

STEPS FOR COMPLETION OF APPLICATION:

1. Complete page 1 of the application.
2. Check appropriate boxes on page 1 and complete lines on page 2 where appropriate.
3. SIGN AND DATE APPLICATION ON PAGE 1.

STEPS FOR CALCULATION OF TAX:

1. Determine which category is most appropriate for your business. The categories can be located on the tax rate schedules. **Note: for business license purposes, Category 3 is for professions that require a bachelor's or advanced educational degree and a professional license in the field.**
2. For categories 6, 7, 8, 11, 41 and 42, please refer to the appropriate tax rate schedule to determine the amount due.
3. For categories 1, 2, 5, and 17, the business license tax is based on your prior year's gross receipts. Applicants in business less than 12 months shall compute gross receipts on an estimated 12-month basis.
4. For category 3, there are two options for calculating the tax, one based on gross receipts, the other based on the number of employees. Choose whichever results in the lesser tax. Please read the following information and then refer to the tax rate schedule to determine the amount due.

Corporation: The corporate entity (a legal "person") would be considered a professional, and all employees (including owners and officers) of that corporation who work more than 30 hours per week would be considered employees; there would be no associates.

Partnership: As an association of parts, there would be no professionals counted, but all partners would be considered associates, and all others who fit the definition of employee would be counted as such.

Sole Proprietor: The sole proprietor, counted as a professional, may employ other professionals in addition to other employees, but no associates.

5. If your tax is calculated based on gross receipts, locate the gross receipts amount on the tax schedule to determine the annual amount due. Businesses opening on or after February 1 may prorate the annual tax. Pay the prorated amount or the minimum tax for that year; whichever is **LARGER**.

6. Go to **Section C on page 2** of the application form and complete the line(s) appropriate **for your category only**.
 7. Complete Section D on page 2 of application. Make check payable to: CITY OF PLEASANT HILL.
 8. Non-profit organizations (Category 230) must complete and return the application, but no tax payment is required. Proof of non-profit status is required with application.
- * If you have questions or need help with your calculation, call (925) 671-5234.
- * Mail application and payment to: CITY OF PLEASANT HILL
BUSINESS LICENSE DEPT.
100 GREGORY LANE
PLEASANT HILL, CA 94523-3323